



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 9, 2008

Jared Jackson
American Gilsonite Company
29950 South Bonanza Highway
Bonanza, Utah 84008

Subject: Revised Surety Requirement, American Gilsonite Company, Bonanza Mine, M0470010, Uintah County, Utah

Dear Mr. Jackson:

Thank you for taking the time to meet with us and discuss the surety for American Gilsonite's Bonanza Mine. We have further revised the spreadsheet and believe we have taken all your concerns into consideration. These include:

- Addition of site E-33 to the bond. This site has yet to be proposed.
- Reduction of support vehicle mileage from 600 to 400.
- Truck and trailer. We have determined that this cost needs to remain.
- Removal of escapeway capping costs for most sites because the escapeways were listed separately.
- Refinement of costs for the non-typical sites. The spreadsheet has explanations showing how these costs were calculated. Amounts were increased for some sites and decreased for others, but we believe the costs better reflect disturbances to be reclaimed.
- Escalation through 2013. The bond had been calculated in 2006 and escalated to 2011. Since it has been nearly two years since the process was begun, it was necessary to escalate the bond for an additional two years. The actual escalation figure (2.1%) was used for 2006-2007, and a three-year average (3.8%) was used for the remaining six years.

The surety amount is \$795,000.00, and it assumes that sites B-40, R-2, R-4, H-2, and H-10 are released. The Division is willing to recommend release of these sites, but the Board will need to make the final decision.

The amount also assumes that E-33 is added to the plan and that WH-7, B-46, and B-50 are deleted. None of these sites has been disturbed, but the plan needs to be amended to remove WH-7, B-46, and B-50; otherwise the surety will need to be increased. Please refer to the Division's letter of March 11, 2008, for information about amending the plan. Sites B-44, B-48, WH-4, WH-11, WH-18, LE-5, LE-6, and LE-7 are included in the BLM's statewide bond.

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Jared Jackson
Page 2 of 2
M0470010
June 9, 2008

Site I-12 is on land managed by the School and Institutional Trust Lands Administration, and they hold a reclamation surety in the amount of \$5000.00. The surety calculation assumes the Division will hold the entire amount for I-12, so once you have posted the new surety, SITLA should be willing to release the surety they hold.

By Board of Oil, Gas, and Mining (Board) Order of May 31, 2002, the Board and AGC entered into a Self-Bonding and Indemnity Agreement. The terms of the agreement require that the "Board release the Operator of its obligations under this Agreement before the Division release any portion of either the Pledge and Escrow Agreement or the Existing Bond." While no actual release of money is proposed the recalculated surety amount does include a change in obligation.

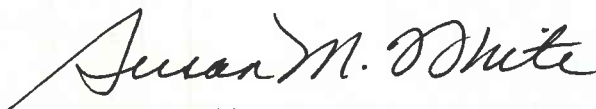
Term 6 requires AGC to file a Request for Agency Action with the Board to review the Agreement once the final escrow payment is made. Final payment was made in 2005.

The Division cannot finalize the proposed release, addition, or surety escalation until the Board has reviewed and approved these actions.

Please file a request for agency action no later than July 10, 2008, to be heard by the Board in its August hearing. The Division considers the Bonanza Mine to currently be under-bonded, and this needs to be corrected as quickly as possible.

Thank you for your cooperation and patience as the Division has been working to complete the permitting and surety update process. Please call me if you have any comments or questions (801-538-5258).

Sincerely,



Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:PBB:pb

Enclosure: Bond Calculation Sheets

cc: Stan Perkes, Utah BLM Office
Jed Pearson
Tony Gallegos
Will Stokes, SITLA
Vernal BLM

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RECLAMATION ESTIMATE 2006 UPDATE
American Gilsonite Company (AGC)
Bonanza Gilsonite Operations Uintah County
M/047/010
Prepared by Utah State Division of Oil, Gas & Mining

File Name Paul-M0470010-bond.xls
page name "facilities"
last revision 1/29/2008

OPERATIONAL FACILITIES	\$/Unit	unit	# Units	Cost(\$)	note	unit cost details
Ten laborers	2,240.00	\$/day	42	94,080.00	(3)	Means 2006, laborer, crew A-2 w/o O&P
Two dozers	1,750.08	\$/day	21	36,751.68	(4) daily	Blue Book pg 9-50, Cat D6R (2005), semi-U blade, 165 hp
Two dozer operators	608.00	\$/day	21	12,768.00	(5)	Means 2006, equip operator (dozer), crew B-10B w/o O&P
One crane	1,149.20	\$/day	42	48,266.40	(1) daily	J & C Enterprises, Vernal, Utah - Price Sheet
One crane operator	360.00	\$/day	42	15,120.00	(2)	J & C Enterprises, Vernal, Utah - Price Sheet
Tractor trailers	2,400.00	\$/mo	2	4,800.00	(10)	J & C Enterprises, Vernal, Utah - Price Sheet
Tractor trailer operators	0.00	\$/day	42	0.00	(11)	Means 2006, truck driver (heavy), crew B-34A
One FE loader	614.00	\$/day	42	25,788.00	(12)daily	Blue Book, pg 9-34, Cat 950G Series II (2005), 183 hp, 4.05 CY
One FE loader operator	443.20	\$/day	42	18,614.40	(13)	Means 2006, equip operator (med), crew B-10U
Seed	282.72	\$/acre	24.6	6,954.91	(7)	BLM 2006 seed cost estimate 13 lb/acre
One farm tractor & seed drill	552.00	\$/day	2	1,104.00	(9)	Adjusted \$48/hr-1992 to year 2006 using actual escalation
One tractor operator	341.20	\$/day	2	682.40	(3)	Means 2006, laborer, crew A-2 w/o O&P
Subtotal operational facilities				\$264,929.79		
ROADS						
Motor grader	1,273.80	\$/day	3	3,821.40	(14)	Blue Book, 3Q99, pg 9-11, Cat 16H grader, 16' moldboard, 285 hp, daily
Motor grader operator	443.20	\$/day	3	1,329.60	(15)	Means 2006, crew B-32, equip operator (med), daily w/o O&P
Seed	282.72	\$/acre	43	12,156.96	(7)	BLM 2006 seed cost estimate 13 lb/acre
One farm tractor & seed drill	552.00	\$/day	2	1,104.00	(9)	Adjusted \$48/hr-1992 to year 2006 using actual escalation
One tractor operator	341.20	\$/day	2	682.40	(3)	Means 2006, laborer, crew A-2 w/o O&P
Subtotal roads				\$19,094.36		
STORAGE PONDS, PADS, RESERVOIRS						
One dozer	875.04	\$/day	6	5,250.24	(4)	Blue Book pg 9-50, Cat D6R (2005), semi-U blade, 165 hp
One dozer operator	304.00	\$/day	6	1,824.00	(5)	Means 2006, equip operator (dozer), crew B-10B w/o O&P
Seed	282.72	\$/acre	4.3	1,215.70	(7)	BLM 2006 seed cost estimate 13 lb/acre
One farm tractor & seed drill	552.00	\$/day	2	1,104.00	(9)	Adjusted \$48/hr-1992 to year 2006 using actual escalation
One tractor operator	341.20	\$/day	2	682.40	(3)	Means 2006, laborer, crew A-2 w/o O&P
Subtotal ponds, pads reservoirs				\$10,076.34		

RECLAMATION ESTIMATE 2006 UPDATE
American Gilsonite Company (AGC)
Bonanza Gilsonite Operations Uintah County
M/047/010
Prepared by Utah State Division of Oil, Gas & Mining

File Name Paul-M0470010-bond.xls
page name "facilities"
last revision 2/8/2007

note	unit cost details
(3)	Means 2006, laborer, crew A-2 w/o O&P
(4) daily	Blue Book pg 9-50, Cat D6R (2005), semi-U blade, 165 hp
(5)	Means 2006, equip operator (dozer), crew B-10B w/o O&P
(1) daily	J & C Enterprises, Vernal, Utah - Price Sheet
(2)	J & C Enterprises, Vernal, Utah - Price Sheet
(10)	J & C Enterprises, Vernal, Utah - Price Sheet
(11)	Means 2006, truck driver (heavy), crew B-34A
(12)daily	Blue Book, pg 9-34, Cat 950G Series II (2005), 183 hp, 4.05 CY
(13)	Means 2006, equip operator (med), crew B-10U
(7)	BLM 2006 seed cost estimate 13 lb/acre
(9)	Adjusted \$48/hr-1992 to year 2006 using actual escalation
(3)	Means 2006, laborer, crew A-2 w/o O&P
(14)	Blue Book, 3Q99, pg 9-11, Cat 16H grader, 16' moldboard, 285 hp, daily
(15)	Means 2006, crew B-32, equip operator (med), daily
(7)	BLM 2006 seed cost estimate 13 lb/acre
(9)	Adjusted \$48/hr-1992 to year 2006 using actual escalation
(3)	Means 2006, laborer, crew A-2 w/o O&P
(4)	Blue Book pg 9-50, Cat D6R (2005), semi-U blade, 165 hp
(5)	Means 2006, equip operator (dozer), crew B-10B w/o O&P
(7)	BLM 2006 seed cost estimate 13 lb/acre
(9)	Adjusted \$48/hr-1992 to year 2006 using actual escalation
(3)	Means 2006, laborer, crew A-2 w/o O&P

RECLAMATION ESTIMATE 2006 UPDATE
 American Gilsonite Company (AGC)
 Bonanza Gilsonite Operations
 M0047010
 Uintah County
 Prepared by Utah State Division of Oil, Gas & Mining

File Name Paul-M00470010-bond.xls
 page name "summary"
 last revision

1/28/2008

	\$/Unit		# Units	Cost (\$)	note
RESIDENTIAL AREA					
One dozer operator	875.04 \$/8hr-day		5	4,375	(4)
One FE loader	304.00 \$/8hr-day		5	1,520	(5)
One FE loader operator	614.00 \$/8hr-day		5	3,070	(12)
One tractor trailer	443.20 \$/8hr-day		5	2,216	(13)
One tractor trailer operator	1,200.00 \$/8hr-day		2	2,400	(10)
Ten laborers	0.00 \$/8hr-day		2	0	(11)
Composted manure & seed	2,240.00 \$/8hr-day		12	26,880	(3)
Applying compost equip (FE loader/2)	382.72 \$/acre		2.3	880	(7)
Applying compost (FE loader/2)	307.00 \$/acre		2.3	706	(8)
One farm tractor & seed drill	221.60 \$/acre		2.3	510	(9)
One farm tractor operator	552.00 \$/8hr-day		1	552	(9)
Subtotal residential area	341.20 \$/8hr-day		1	341	(3)
				\$43,450	

RECLAMATION SUMMARY
 MINE SITES - DOGM bonding only
 OPERATIONAL FACILITIES
 ROADS
 STORAGE PONDS, PADS & RESERVOIRS
 RESIDENTIAL AREA

total acreage

PROJECT SUPERVISION
 MOBILIZATION (6 equipment)

	8.5 weeks		2800	\$22,100	(16)
	6 each		2000	\$12,000	(17)
SUBTOTAL				\$565,784	
+ 10% CONTINGENCY				\$56,578	
SUBTOTAL 2006-\$				\$622,363	
+ ESCALATION TO 2013 (2.1% 2006-2007, 3.8% 2007-2013)				\$172,429	
TOTAL				\$794,792	

ROUNDED TOTAL IN 2013-\$

Average cost per acre =
 Previous DOGM estimate in 2006-\$

\$10,714.29
 \$514,000.00

RECLAMATION ESTIMATE 2006 UPDATE
 American Gilsonite Company (AGC)
 Bonanza Gilsonite Operations
 M0047010

Prepared by Utah State Division of Oil, Gas & Mining
 Uintah County

note

- (4) Blue Book pg 9-50, Cat D6R (2005), semi-U blade, 165 hp
- (5) Means 2006, equip operator (dozer), crew B-10B w/o O&P
- (12) Means 2006, laborer, crew A-2 w/o O&P
- (13) Means 2006, equip operator (med), crew B-10U
- (10) J & C Enterprises, Vernal, Utah
- (11) J & C Enterprises, Vernal, Utah
- (3) Means 2006, laborer, incl O&P, crew A-2
- (7) BLM seed estimate \$282.72/acre, \$100/acre compost for 5 ton/acre @ \$20/ton
- (8) Means 2006, laborer, crew A-2 w/o O&P
- (9) Adjusted \$48/hr-1992 to year 2006 using actual escalation
- (3) Means 2006, laborer, crew A-2 w/o O&P

0

- (16) Means 2006, project manager, 01300-700-0200, average \$2,600/wk incl O&P
- (17) Division estimate of mob & demob heavy equip, \$200/each, 2 dozers, crane, FE loader, grader, tractor

File Name Paul-M00470010-bond.xls
 page name "summary"
 last revision

2/8/2007

Cap Size			Price	
W	H	Length	YDS	Total
6	2	10	5	\$125.00
4	4	6	4	\$1,125.00

Rebar #4	216	3.6 ft/#2	No. Rebar	11	\$5.00	\$55.00	Vernal Builders Supply 4.79 07/05
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Cement Mason	Base	Fringe	HRS	32	\$474.24	
Backhoe operator				32	\$421.12	

Backhoe Rental Cost	daily cost incl tax	\$214.00	Days	2	\$428.00	Basin Rental 07/05
Fuel per gallon		1.50	Hours	16	\$57.60	gal per hr Cat Handbook p 22-16

Truck						
Trailer						
Misc. nails, framing mat					\$500.00	

Grand Total					\$3,060.96	
10% Contingency					\$3,367.06	
10% OH & Profit					\$3,703.76	
18% BLM Overhead					\$4,370.44	
Escallation 5 Years					\$4,938.60	CPI Index for 2000-2005

$$F = P(1 + I)^n$$

5-YR escalation after BLM overhead
\$4,731

<http://www.access.gpo.gov/dav/sbacon/allstates.html>

UTU-0126940	Units	Cost per Unit	2 seedings	Total	
Action	lbs	\$/lb			
Seed					
Western Wheat Grass	13	\$10.00	2.00	\$260.00	
Yellow Clover	0.2	\$1.50	2.00	\$0.60	
Four Wing Salt Brush	0.4	\$9.00	2.00	\$7.20	Granite Seed Co. personal communication 08/21/2006
Winter Fat	0.2	\$30.00	2.00	\$12.00	
Other	0.2	\$7.30	2.00	\$2.92	
Granite Seed Co 801-468-4422				\$262.72	subtotal seedmix, NO SEED APPLICATION COSTS
	hrs	\$/hr	\$/hr Fringe		
Crane w operator	5	\$150.00	\$45.00	\$975.00	J & C Enterprises Vernal Utah Price sheet and personal communications for operator @ \$45/hr
Operating Costs	1	200		\$200.00	BLM Estimate
Welder	8	\$33.00	\$2.67	\$285.36	Davis Bacon Wage Determination UT 20030028 (Revised 06/2006) Highway Construction
Laborer	8	\$28.00	\$2.58	\$244.64	Davis Bacon Wage Determination UT 20030028 (Revised 06/2006) Highway Construction
Truck & Trailer w operator	8	\$150.00		\$1,200.00	J & C Enterprises Vernal Utah Price sheet includes driver
Vehicle	600	\$0.45		\$267.00	US Gov't Rate - 4 days 150 miles per day
Mob & Demob	2	\$100.00		\$200.00	BLM Estimate
(Remove Head Frame)					
Crane w operator	5	\$150.00	\$45.00	\$975.00	J & C Enterprises Vernal Utah Price sheet
Crane operating cost	1	\$200.00		\$200.00	BLM Estimate
Truck & Trailer w Operator	8	\$150.00		\$1,200.00	J & C Enterprises Vernal Utah Price sheet includes driver
Welder	8	\$33.00	\$2.67	\$285.36	Davis Bacon Wage Determination UT 20030028 (Revised 06/2006) Highway Construction
Laborer	8	\$28.00	\$2.58	\$244.64	Davis Bacon Wage Determination UT 20030028 (Revised 06/2006) Highway Construction
(Move Structures - bins & hoist house)					
Dozer D-6	8	\$84.38	\$29.00	\$907.00	675
Operator (2)	8	\$38.00	\$10.03	\$384.24	Davis Bacon Wage Determination UT 20030028 (Revised 06/2006) Highway Construction
Mob & demob	2	\$200.00		\$400.00	
(contouring & ripping)					
Front End Loader					
Operator (2)					
Waste Rock removal					
Septic removal					
				\$8,250.96	subtotal
Shaft Capping	1	\$3,060.96		\$3,060.96	See Shaft Capping Estimate
Escapeway capping	1	\$150.00		\$150.00	BLM Estimate
Landfill cost	1	\$100.00		\$100.00	BLM Estimate
Total				\$11,561.92	
Contingency 10%		10.00%	\$1,156.19	\$12,718.11	
Profit G&A 10%		10.00%	\$1,156.19	\$13,874.30	
BLM Overhead 18%		18.00%	\$2,497.37	\$16,371.68	
Total				\$16,371.68	
Salvage Compressor	\$2,500.00	not used			
Salvage Hoist	\$500.00	not used			
Salvage blower & filters	\$300.00	not used			
Total	\$3,300.00	not used			
Total IF SALVAGE ALLOWED			\$13,071.68		
Escalate 5 yrs (straight calc)		11.00%		\$1,437.88	
Escalated Grand Total IF SALVAGE ALLOWED				\$14,509.56	
Escalated Grand Total W/O Salvage				\$16,172.50	
Rental					
Advanced Royalty					

THIS SPREADSHEET IS UNDER CONSTRUCTION, NEW DATA IN YELLOW

SURETY ESTIMATE UPDATE

American Gilsonite Company (AGC)
 Bonanza Operations M/047/010
 Prepared by Utah Division of Oil, Gas & Mining

File Name Paul-M0470010-bond.:
 Uintah County
 Last Update **1/29/2008**

DESCRIPTION:

- This update is based on the 11/24/92 reclamation estimate
- Total estimate base amount was \$281,149 in 1992 dollars
- Disturbed acreage = minesites (33), roads (43), facilities (31.2)
- This updates the base amount to 1994 dollars and escalates 5 years forward
- Escalation factors through 1993 are actual Means Historical Cost Indices
- Total disturbed area = 107.2 ACRES

CALCULATIONS

	YR	ESCAL FACTOR	BOND AMOUNT
F = $P(1 + i)^{**n}$			
F = Future Sum			
P = Present Sum	1988	0.0181	0
i = Escalation Factor	1989	0.0177	0
n = number of periods	1990	0.0077	0
	1991	0.0127	0
BASE AMOUNT=>	1992	0.0221	56.00
	1993	0.0261	57.46
	1994	0.0321	59.31
Three Yr Average = 2.01%	1995	0.0193	60.45
Used to Project 5 Yrs	1996	0.0242	61.91
Into the Future	1997	0.0236	63.37
From the Year 1994	1998	0.0502	66.56
	1999	0.0191	67.83
	2000	0.0244	69.48
	2001	0.0421	72.41
	2002	0.0202	73.87
	2003	0.0171	75.13
	2004	0.0084	75.76
	2005	0.0399	78.79
	2006	0.0544	83.07
	2007	0.0212	84.84
	2008	0.0380	88.06
	2009	0.0380	91.41
	2010	0.0380	94.88
	2011	0.0380	98.49
	2012	0.0380	102.23
	2013	0.0380	106.11

Updated Surety Amount Rounded (2013 \$) \$106.00

** Average cost per acre = \$0.99 (\$/ACRE)

NOTE: Previous Division estimate was \$299,500 (1998 \$)

Prepared by Utah State Division of Oil, Gas & Mining
Mine site list based on DOGM files, DOGM 4/12/06 inspection, & BLM 2006 bond calcs.
Current bond posted with the Division is \$514,000 in 2006-\$ for a total disturbance of 111.70 acres.
Some sites are included in the DOGM permit, but bonded with the BLM.
Recognized BLM state wide bond calculations of August 2006.
LE-17 and LE-18 assumed to be released (not confirmed)
WH-7 not disturbed and assumed to be eliminated from the plan
B-40 assumed to be released
Assume that LE-6 and LE-7 are included in BLM bond

mine site	owner	acreage	bond held by	other agency bond amount	DOGM status 5/26/06	claim or lease no.	last DOGM inspection
E-14	patented	1.00	DOGM		inactive, headframe, water tank, no hoist	white river 21	4/12/2006
E-15	patented	1.00	DOGM		inactive, headframe, water tank, no hoist	white river 20	4/12/2006
E-21	patented	0.10	DOGM		trash dump, remove structure & replace fence		10/31/2006
E-30W	patented	0.50	DOGM		escapeway w/equip	white river 24	10/31/2006
E-27	patented	1.00	DOGM		full set equip, inactive, includes bullet escapeway E28	white river 22 &	4/12/2006
E-28	patented	0.50	DOGM		inactive, escapeway for E27	white river 23	4/12/2006
E-29	patented	1.00	DOGM		inactive, most equip gone, shaft present	white river 23	4/12/2006
E-30	patented	1.00	DOGM		inactive, bin & headframe gone, shaft present	white river 24	4/12/2006
E-31	patented	0.50	DOGM		full set equip, simple escapeway, active	white river 25	4/12/2006
E-32	patented	0.50	DOGM		Escapeway		10/31/2006
E-33	patented	1.00	DOGM		New site to be proposed		
I-9	patented	1.00	DOGM		mine + equip, inactive	rangely bell	4/12/2006
I-10	patented	1.00	DOGM		mine + equip, inactive	rangely bell	4/12/2006
I-12	SITLA lease ML851	1.47	DOGM		new mine + equip, area includes escapeway		4/12/2006
I-15	patented	1.00	DOGM		hoist house, other equip gone, inactive	cumberland	4/12/2006
I-16	patented	1.00	DOGM		NEEDS REVEGE-2, large rebar spacing in cap	triumph	4/12/2006
I-18	patented	1.95	DOGM		inactive, 2 bldgs, water tank, shaft	break of day	4/12/2006
I-24	patented	1.00	DOGM		mine + equip	big chief	
I-30	BLM-exchange	1.00	DOGM		full set equip, active soon	UTU-78405 (old M	4/12/2006
B-12	patented	0.50	DOGM		NEEDS REVEGE-2?, shaft under road	foothill	4/12/2006
B-14	pre-law	0.50	DOGM		NEEDS SHAFT CAP & REMOVE FOOTINGS	?	4/12/2006
B-16	patented	1.00	DOGM		inactive, full set equip, no hoist house, no fan	hilltop	4/12/2006
B-28	???	0.25	DOGM		NEEDS 2 CAPS, REVEGE & FOOTINGS REMOVED		10/31/2006
B-38	FEE	2.00	DOGM		NEEDS REVEGE, REMOVE headframe & scrap & impoundmer	?	4/12/2006
B-42	FEE	1.00	DOGM		partially reclaimed, hoist house gone, no cap, equip present	?	4/12/2006
B-44	BLM	1.00	BLM-statewide	\$18,044.31	mine + equip, inactive	UTU-0126940	4/12/2006
B-46	BLM	1.00			Approved, not built, to be removed from permit		
B-48	BLM	1.00	BLM Statewide	\$19,159.25	Under construction		
B-50	BLM	1.00			Approved, not built, to be removed from permit		
WH-4	BLM	1.00	BLM-statewide	\$19,653.52	active	UTU-060749	4/12/2006
WH-7	BLM				To be removed from permit		
WH-11	BLM	1.00	BLM-statewide	\$5,766.49	reclaimed, seeded 2005, WAIT on revege =>2008, includes WH	UTU-073071	4/12/2006
WH-12	BLM	1.00	DOGM		reclaimed, seeded 2005, WAIT on revege =>2008, includes WH	UTU-073071	4/12/2006
WH-17	FEE	1.00	DOGM		active, full set of equipment	UTU-073071	4/12/2006

mine site	owner	acreage	bond held by	other agency bond amount	DOGM status 5/26/06	claim or lease no.	last DOGM inspection
WH-17Esc	???	0.50	DOGM		active escapeway, no power		4/12/2006
WH-18	BLM	1.00	BLM-statewide	\$3,185.63	active escapeway, headframe, hoist house	UTU-0126943	4/12/2006
LE-5	BLM	1.00	BLM-Statewide		Reclaimed, cap buried, WAIT on reveg. 2009?	UTU-0126938	4/12/2006
LE-6	BLM	1.00	BLM-Statewide	\$19,497.97	Full equipment, inactive. Bond includes LE-5 and LE-7.	UTU-0126938	4/12/2006
LE-7	BLM	0.50	BLM-Statewide		Escapeway	UTU-0126938	4/12/2006
LE-10	FEE	1.00	DOGM		reclaimed, needs REVEGE-2		4/12/2006
LE-16	patented	1.00	DOGM	?	reclaimed, needs REVEGE-2	aby/inia	4/12/2006
LE-19	patented	1.00	DOGM		reclaimed, needs REVEGE-2	asteroid	4/12/2006
LE-20	patented	1.00	DOGM		reclaimed, revege-2 done Fall 2006,wait 3 seasons	asteroid	4/12/2006
40 total sites		36.77 acres			WH-7, B-46, and B-50 not included		
8 0.5 acre sites (escapeway only or other type)							
27 1.0 acre sites							
1 0.1 acre sites							
1 0.25 acre sites							
1 1.47 acre sites							
1 1.95 acre sites							
1 2.0 acre site					WH-7, B-46, and B-50 not included		
0 3.0 acre sites							
8 Sites to be bonded by BLM, 7 1.0 acres and 1 0.5 acres				\$85,307.17	Includes LE-6 and LE-7		
32 sites to be bonded by DOGM				32.27 acres	Includes E-33 (new site)		

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Reclamation Details

- Quantities & units in this estimate are based on the previous estimate & April 2006 DOGM inspections.
- Reclamation of all satellite mine sites & the main processing facilities is included in this estimate.
- Unit costs were updated using the Rental Rate Blue Book & Means 2006 Heavy Construction Cost Data.
- Number of mine sites & acreage is based on the Division's April 12-13, 2006 inspection summary.
- Total of 40 mine sites affecting 36.77 acres: 27 1.0-acre sites, 8 0.5-acre sites, 1 0.1-acre site,
- (continued) 1 0.25-acre site, 1 1.47-acre site, 1 1.95-acre site, 2 2-acre sites.
- This estimate uses reclamation costs based on reclaiming a typical 1.0 acre gilsonite mine site.
- This estimate uses the BLM August 2006 estimate as a basis for shaft capping costs.
- No post-mining use of structures was assumed, reclamation involves total removal/demolition of all structures
- Total disturbed acreage = mine sites 36.77 acres, roads 43 acres, facilities area 31.2 acres = 110.97
- DOGM recognizes the BLM statewide bond for 7 1-acre sites(B-44,B-48, WH-4,WH-11,WH-18,LE-5, LE-6, and LE-7) and one 1-0.5 acre site (LE-7) @ \$75,564.50 - 2006\$.
- Sites WH-3 & WH-7 were to be reclaimed by blasting the vein closed; estimate is half of AGC estimate of \$70,000. Neither site included in total surety amount.
- Escapeway sites of 0.5 acre each were broken out from the number of "typical mine sites".
- Number of typical 1.0-acre sites for estimation purposes = (27 sites) - (7 BLM bond) = 20.
- 6 1.0-acre sites waiting on revege success

Reclamation Per Typical 1.0 Acre Gilsonite Mine Site

Task Description	Quantity	Units	\$/Unit	Cost(\$)	note	changes to unit costs here ripple through other sheets
Dismantling - crane	10	hr	150.00	1,500.00	(1)	J & C Enterprises, Vernal, Utah - Price Sheet
Dismantling - crane operator	10	hr	45.00	450.00	(2)	J & C Enterprises, Vernal, Utah - Price Sheet
Dismantling - laborers	16	hr	28.00	448.00	(3)	Means 2006, laborer, crew A-2 w/o O&P
Dismantling - dozer	4	hr	109.38	437.52	(4)	Blue Book pg 9-50, Cat D6R (2005), semi-U blade, 165 hp
Dismantling - dozer operator	4	hr	38.00	152.00	(5)	Means 2006, equip operator (dozer), crew B-10B w/o O&P
Shaft capping(labor,mtls)-BLM 2006 estimate	1	ea	3,060.96	3,060.96	(6)	BLM estimate
Reclaiming - dozer	4	hr	109.38	437.52	(7)	Blue Book pg 9-50, Cat D6R (2005), semi-U blade,165 hp
Reclaiming - dozer operator	4	hr	55.40	221.60	(8)	Means 2006, equip operator (dozer), crew B-10B w/o O&P
Reseeding - mtl: seed/mulch/fertilizer	1	acre	282.72	282.72	(9)	BLM 2006 seed cost estimate 13 lb/acre
Reseeding - apply mulch & fertilizer	1	acre	80.05	80.05	(10)	Adjusted \$56/acre-1992 to year 2006 using actual escalation
Reseeding - tractor & seed drill	2	hr	69.00	138.00	(11)	Adjusted \$48/hr-1992 to year 2006 using actual escalation
Reseeding - tractor operator	2	hr	42.65	85.30	(3)	Means 2006, laborer, crew A-2 w/o O&P
Truck & Trailer	16	hr	150.00	2,400.00	(12)	J & C Enterprises, Vernal, Utah - Price Sheet
Landfill fees	1	lot	100.00	100.00	(6)	
Mob/Demob	2	equip	200.00	400.00	(6)	BLM Estimate
Welder	16	hr	33.00	528.00		Means Estimating Guide P. 448 2007w/o O&P + \$4/hour for welding equi
Supervision	16	hr	50.00	800.00	(6)	Dogm/Blm Estimate
Escapeway Cap	1	ea	150.00	150.00	(6)	BLM Estimate
Support Vehicle	600	miles	0.45	270.00	(6)	US Gov't Rate - 4 days @ 150 miles/day
Subtotal per mine site (BLM)				\$11,941.67		

Reclamation Per Typical 1.0 Acre Gilsonite Mine Site

Task Description	Quantity	Units	\$/Unit	Cost(\$)	note	changes to unit costs here ripple through other sheets
Dismantling - crane	10	hr	150.00	1,500.00	(1)	J & C Enterprises, Vernal, Utah - Price Sheet
Dismantling - crane operator	10	hr	45.00	450.00	(2)	J & C Enterprises, Vernal, Utah - Price Sheet
Dismantling - laborers	16	hr	28.00	448.00	(3)	Means 2006, laborer, crew A-2 w/o O&P
Dismantling - dozer	4	hr	109.38	437.52	(4)	Blue Book pg 9-50, Cat D6R (2005), semi-U blade, 165 hp
Dismantling - dozer operator	4	hr	38.00	152.00	(5)	Means 2006, equip operator (dozer), crew B-10B w/o O&P
Shaft capping(labor,mtls)	1	ea	1,248.27	1,248.27		Escalated from previous estimate
Reclaiming - dozer	4	hr	109.38	437.52	(7)	Blue Book pg 9-50, Cat D6R (2005), semi-U blade,165 hp
Reclaiming - dozer operator	4	hr	55.40	221.60	(8)	Means 2006, equip operator (dozer), crew B-10B w/o O&P
Reseeding - mtl: seed/mulch/fertilizer	1	acre	282.72	282.72	(9)	BLM 2006 seed cost estimate 13 lb/acre
Reseeding - apply mulch & fertilizer	1	acre	80.05	80.05	(10)	Adjusted \$56/acre-1992 to year 2006 using actual escalation
Reseeding - tractor & seed drill	2	hr	69.00	138.00	(11)	Adjusted \$48/hr-1992 to year 2006 using actual escalation
Reseeding - tractor operator	2	hr	42.65	85.30	(3)	Means 2006, laborer, crew A-2 w/o O&P
Truck & Trailer	16	hr	150.00	2,400.00	(12)	J & C Enterprises, Vernal, Utah - Price Sheet
Landfill fees	1	lot	100.00	100.00	(6)	
Mob/Demob	2	equip	200.00	400.00	(6)	BLM Estimate
Welder	16	hr	33.00	528.00		Means Estimating Guide P. 448 2007w/o O&P + \$4/hour for welding equi
Supervision	16	hr	50.00	800.00	(6)	Dogm/Blm Estimate
Escapeway Cap	0	ea	150.00	0.00	(6)	BLM Estimate
Support Vehicle	400	miles	0.45	180.00	(6)	US Gov't Rate - 4 days @ 100 miles/day
Subtotal per mine site (non-BLM)				\$9,888.98		

	#sites	\$/site	\$	
1-acre sites, BLM, DOGM holds bond	1	11,941.67	11,941.67	Used BLM Shaft cost estimate
1-acre sites, fee or SiTLA	9	9,888.98	89,000.82	Used escalated DOGM shaft cost estimate from 2001
1-acre sites with some equipment	4	8,395.22	33,580.88	(21) use typical less one-half of dismantling costs
0.5 acre escapeway, w/equip	4	4,470.36	17,881.42	(12) use one-half cost for typical 1.0 acre site less shaft cap plus 150
0.5 acre escapeway w/out equip	2	972.60	1,945.19	(13) use one-half shaft cap, grading and revege, and mob/demob costs
1-acre sites waiting on revege or need reseed	6	586.07	3,516.42	(14) use reseeding only
B-38 headframe & scrap, revege, 2-acre	1	11,134.17	11,134.17	(15) use typical + 1 X (grading and revege)
I-12	1	10,474.22	10,474.22	use typical + (0.47Xgrading and revege) + 150 escapeway cap
I-18	1	11,112.29	11,112.29	(16) use typical +(0.95 X grading and revege)
B-28: 2 smaller caps,footings, revege (0.25 acre)	1	1,759.57	1,759.57	(17) use one full cap cost + 0.25 X (grading and revege) + one-half mob/demo
E-21: trash dump, remove structure, add fence	1	1,493.76	1,493.76	(18) use 1/2 dismantling cost
B-12: 2nd revege, 0.5 acre	1	293.04	293.04	(19) use 0.5X(reseeding only)
WH-7 site - blasting vein closed	0	35,000.00	0.00	(20) previous DOGM estimate (half of 2-site estimate)
SUBTOTAL - ALL MINE SITES		32	\$194,133.45	

average cost per mine site = \$6,066.67

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note	changes to unit costs here ripple through other sheets
(1)	J & C Enterprises, Vernal, Utah price sheet
(2)	J & C Enterprises, Vernal, Utah price sheet
(3)	Means 2006, laborer, crew A-2 w/o O&P
(4)	Blue Book pg 9-50, Cat D6R (2005), semi-U blade,165 hp
(5)	Means 2006, equip operator (dozer), crew B-10B w/o O&P
(6)	BLM estimate
(7)	Blue Book pg 9-50, Cat D6R (2005), semi-U blade, 165 hp
(8)	Means 2006, equip operator (dozer), crew B-10B w/o O&P
(9)	BLM 2006 seed cost estimate 13 lb/acre
(10)	Adjusted \$56/acre-1992 to year 2006 using actual escalation
(11)	Adjusted \$48/hr-1992 to year 2006 using actual escalation
(3)	Means 2006, laborer, w/o O&P, crew A-2
(12)	use one-half cost for typical 1.0 acre site
(13)	use one-half shaft cap cost & full revege
(14)	use reseeding only
(15)	use typical + 2X(revege)
(16)	use typical +(1.42/2)X(revege)
(17)	use one full cap cost +0.25X(revege)
(18)	use 1/2 dismantling cost
(19)	use 0.5X(reseeding only)
(20)	previous DOGM estimate (half of 2-site estimate)
(21)	used half of dismantling costs and full grading/capping costs